

Article - Education

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§19–105.

(a) A system may contract for the use of or admission to all or any part of any auxiliary facility or any academic facility that was authorized under the requirements of this title with any person, partnership, association, corporation, entity, or agency and may fix the terms, conditions, fees, rents, and rates of charges for use or admission. Such fees, rents, and charges may not be subject to supervision or regulation by any other commission, board, bureau, or agency of the State.

(b) The resolution or trust agreement relating to any bonds may provide that the auxiliary facilities fees and academic fees that have been assigned or pledged as security for the bonds of a system, except the part necessary to pay the cost of maintaining, equipping, repairing, and operating the auxiliary facilities and to provide reserves as provided for in the resolution authorizing the issuance of the bonds or in the trust agreement securing them, shall be set aside at regular intervals in a sinking fund which is hereby pledged to, and charged with, the payment of:

- (1) The interest upon the bonds when due;
- (2) The principal of the bonds when due;
- (3) The necessary charges of paying agents for paying principal and interest; and
- (4) The redemption price or purchase price of bonds retired by call or purchase as provided in the resolution or trust agreement.

(c) The pledge is valid and binding from the time when made.

(d) Auxiliary facilities fees and academic fees so pledged and thereafter received by a system are immediately subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge of auxiliary facilities fees and academic fees and the rights to receive the same is valid and binding against all parties having any claims of any kind in tort, contract, or otherwise against a system, irrespective of whether such parties have notice thereof.

(e) Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded, pursuant to the Maryland Uniform Commercial Code or otherwise, except in the records of a system.

(f) The use and disposition of money to the credit of the sinking fund or other funds or accounts established under the resolution or trust agreement are subject to the provisions of the resolution authorizing the issuance of the bonds or of the trust agreement.

(g) Notwithstanding any provision of this section, a system may, by resolution passed prior to the issuance of bonds under the provisions of this title or in the trust agreement securing the bonds, covenant to pay all or any part of the cost of maintaining, equipping, repairing, and operating any auxiliary facilities or any academic facilities authorized under the requirements of this title. Each covenant has the force of contract between a system and the holders of the bonds issued on account of the project or projects.

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